

**SUMMARY OF MAJOR CHANGES TO  
DOD 7000.14-R, VOLUME 6B, CHAPTER 6  
“STATEMENT OF CHANGES IN NET POSITION”**

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision

<b>PARA</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
<b>060101, 060102, 060201</b>	<b>Revised narrative to identify the two components of net position (Cumulative Results of Operations and Unexpended Appropriations). Modified the format to display both components separately to enable the user better understand the nature of changes to net position as a whole.</b>	<b>Revised</b>

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**CHAPTER 6****STATEMENT OF CHANGES IN NET POSITION****0601 FORMAT FOR THE STATEMENT OF CHANGES IN NET POSITION**

★ 060101. Format for the Consolidated Comparative Statement of Changes in Net Position. The format presented in Figure 6-1 shall be used for the consolidated comparative Statement of Changes in Net Position. The format is modified to display both components (Cumulative Results of Operations and Unexpended Appropriations) of net position separately. The working versions of all statements shall include line numbers as shown. All amounts shall be in dollars and cents in the working versions of the statements (and notes) in order to improve communication among the preparers, the reviewers and the auditors during the financial statements preparation process; and, in addition, to minimize the additional time and workload required to round and reconcile dollar amounts.

060102. Format for the Consolidating Comparative Statement of Changes in Net Position. The format presented in (Figure 6-2) shall be used for the consolidating comparative Statement of Changes in Net Position. The working versions of all statements shall include the line numbers as shown. All amounts shall be in dollars and cents in the working versions of the statements.

060103. Final Published Statement of Changes in Net Position Format. The final Department of Defense (DoD) Agency-wide published statements (and the notes to the principal statements) shall display dollars rounded to millions with one decimal point. All Component statements (and the notes to the principal statements) shall display dollar amounts rounded to the nearest whole thousand on the final published principal statements. The line numbers shown in Figures 6-1 and 6-2 on the statements are not required for the final published version and it is encouraged that line number references not be included on the final published statements.

<b>★DEPARTMENT OF DEFENSE[Reporting Entity]</b> <b>CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION</b> <b>For the years ended in September 30, 20X2 and 20X1</b> <b>(in dollars/thousands/millions)</b>				
	Cumulative Results of Operations [Current FY]	Unexpended Appropriations [Current FY]	Cumulative Results of Operations [Prior FY]	Unexpended Appropriations [Prior FY]
<b>1. Beginning Balances</b>	\$ (555.5)	\$ (222.2)	\$ (88.9)	\$ (22.2)
<b>2. Prior period adjustments (+/-) (note 20)</b>	<u>177.8</u>	<u>44.4</u>	<u>177.8</u>	<u>44.4</u>
<b>3. Beginning Balances, as adjusted</b>	(377.7)	(177.8)	88.9	22.2
<b>4. Budgetary Financing Sources:</b>				
4.A. Appropriations received		1200.7		108.4
4.B. Appropriations transferred-in/out (+/-)		(229.0)		70.0
4.C. Other adjustments (rescissions, etc) (+/-)	(767.8)	4.0	36.3	5.0
4.D. Appropriations used	1131.2	(1131.2)	427.8	(427.8)
4.E. Nonexchange revenue	33.3		22.2	
4.F. Donations and forfeitures of cash and cash equivalents	1.6		1.1	
4.G. Transfers-in/out without reimbursement (+/-)	(250.0)		(115.0)	
4.H. Other budgetary financing sources (+/-) (note 20)	70.0		20.2	
<b>5. Other Financing Sources:</b>				
5.A. Donations and forfeitures of property	1.7		1.1	
5.B. Transfers-in/out without reimbursement (+/-)	(200.0)		(100.7)	
5.C. Imputed financing from costs absorbed by others (note 20)	225.7		174.8	
5.D. Other (+/-) (note 20)	<u>21.0</u>		<u>13.0</u>	
<b>6. Total Financing Sources</b>	<u>266.7</u>	<u>(155.5)</u>	<u>466.7</u>	<u>(244.4)</u>
<b>7. Net Cost of Operations (+/-)</b>	<u>1222.2</u>		<u>1111.1</u>	
<b>8. Ending Balances</b>	\$ <u>(1333.2)</u>	\$ <u>(333.3)</u>	\$ <u>(555.5)</u>	\$ <u>(222.2)</u>

Accompanying notes are an integral part of these statements.

Figure 6-1

## ★DEPARTMENT OF DEFENSE

## [REPORTING ENTITY]

## CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

Year Ended September 30,

(Amounts in thousands)

	Subentity A		Subentity B		Combined Total	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
1. Beginning Balances	\$ (166,600)	\$ ( 66,600)	\$ ( 388,900)	\$ (155,600)	\$ ( 555,500)	\$ (222,200)
2. Prior period adjustments (+/-) (note 20)	<u>53,300</u>	<u>13,300</u>	<u>124,500</u>	<u>31,100</u>	<u>177,800</u>	<u>44,400</u>
3. Beginning Balances, as adjusted	(113,300)	(53,300)	(264,400)	(124,500)	(377,700)	(177,800)
4. Budgetary Financing Sources:						
4.A. Appropriations received		360,200		840,500		1,200,700
4.B. Appropriations transferred-in/out (+/-)		(68,700)		(160,300)		(229,000)
4.C. Other adjustments (rescissions, etc) (+/-)	(230,300)	1,200	(537,500)	2,800	(767,800)	4,000
4.D. Appropriations used	339,400	(339,400)	791,800	(791,800)	1,131,200	(1,131,200)
4.E. Nonexchange revenue	10,000		23,300		33,300	
4.F. Donations and forfeitures of cash and cash equivalents	500		1,100		1,600	
4.G. Transfers-in/out without reimbursement (+/-)	(95,000)		(175,000)		(270,000)	
4.H. Other budgetary financing sources (+/-) (note 20)	21,000		49,000		70,000	
5. Other Financing Sources:						
5.A. Donations and forfeitures of property	500		1,200		1,700	
5.B. Transfers-in/out without reimbursement (+/-)	(96,000)		(140,000)		(236,000)	
5.C. Imputed financing from costs absorbed by others (note 20)	67,700		158,000		225,700	
5.D. Other (+/-) (note 20)	<u>6,300</u>		<u>14,700</u>		<u>21,000</u>	
6. Total Financing Sources	24,100	(46,700)	186,600	(108,800)	210,700	(155,500)
7. Net Cost of Operations (+/-)	<u>366,600</u>		<u>855,600</u>		<u>1,222,200</u>	
8. Ending Balances	<u>\$ 455,800</u>	<u>\$ (100,000)</u>	<u>\$ 933,400</u>	<u>\$ (233,300)</u>	<u>\$ 1,389,200</u>	<u>\$ (333,300)</u>

Accompanying notes are an integral part of these statements.

Figure 6-2

## ★DEPARTMENT OF DEFENSE

[REPORTING ENTITY]

## CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

Year Ended September 30,

(Amounts in thousands)

	Intraentity Eliminations	[Current FY]		[Prior FY]	
		Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
<b>1. Beginning Balances</b>		\$ (555,500)	\$ (222,200)	\$ (88,900)	\$ (22,200)
<b>2. Prior period adjustments (+/-) (note 20)</b>		<u>177,800</u>	<u>41,400</u>	<u>177,800</u>	<u>44,400</u>
<b>3. Beginning Balances, as adjusted</b>		(377,700)	(177,800)	88,900	22,200
<b>4. Budgetary Financing Sources:</b>					
4.A. Appropriations received			1,200,700		108,400
4.B. Appropriations transferred-in/out (+/-)			(229,000)		70,000
4.C. Other adjustments (rescissions, etc) (+/-)		(767,800)	4,000	36,300	5,000
4.D. Appropriations used		1,131,200	(1,131,200)	427,800	427,800
4.E. Nonexchange revenue		33,300		22,200	
4.F. Donations and forfeitures of cash and cash equivalents		1,600		1,100	
4.G. Transfers-in/out without reimbursement (+/-)	20,000	(250,000)		(115,000)	
4.H. Other budgetary financing sources (+/-) (note 20)		70,000		20,200	
<b>5. Other Financing Sources:</b>					
5.A. Donations and forfeitures of property		1,700		1,100	
5.B. Transfers-in/out without reimbursement (+/-)	36,000	(200,000)		(100,700)	
5.C. Imputed financing from costs absorbed by others (note 20)		225,700		174,800	
5.D. Other (+/-) (note 20)		<u>21,000</u>		<u>13,000</u>	
<b>6. Total Financing Sources</b>		266,700	(155,500)	466,700	(244,400)
<b>7. Net Cost of Operations (+/-)</b>		<u>1,222,200</u>		<u>1,111,100</u>	
<b>8. Ending Balances</b>	\$ 56,000	\$ 1,333,200	\$ (333,300)	\$ (555,500)	\$ (222,200)

Accompanying notes are an integral part of these statements.

Figure 6-2 (Continued)

0602 INSTRUCTIONS FOR THE PREPARATION OF THE STATEMENT OF CHANGES IN NET POSITION

★ 060201. General Instructions. The Statement of Changes in Net Position reports the beginning net position, the items which caused net position to change during the reporting period, and the ending net position. The reporting entity shall include a consolidated and a consolidating Statement of Changes in Net Position in the audited financial statements and display information organized by responsibility segment, subentity, or otherwise in the same manner as the Statement of Net Cost subentity. Net position is affected by changes to its two components: Cumulative Results of Operations and Unexpended Appropriations. Therefore, the reporting entity shall display Cumulative Results of Operations and Unexpended Appropriations in separate columns on the statement. The Formats displayed in Figures 6-1 and 6-2 use notional data to assist the user. All amounts used in the Statement of Changes in Net Position are based on the preclosing trial balances.

★060202. Line Item Instructions.

A. Beginning Balance (Line 1). The amounts reported as net position on the prior year's balance sheet.

B. Prior Period Adjustments (+/-) - (Line 2). Prior period adjustments shall be limited to corrections of errors and accounting changes with retroactive effect that can either increase or decrease net position depending on their nature, including those occasioned by the adoption of new federal financial accounting standards. Enter increases as a positive number; enter decreases as a negative number. The material portions of the amount reported on this line shall be disclosed in Note 20.

C. Beginning Balances, as Adjusted (Line 3). The sum of the beginning balances of net position as reported on the prior year's Balance Sheet and prior period adjustments.

D. Budgetary Financing Sources (Line 4). Financing sources and nonexchange revenue that are also budgetary resources, or adjustments to those resources, as reported on the Statement of Budgetary Resources and defined as such by OMB Circular No. A-11.

1. Appropriations Received (Line 4.A.). Appropriations received during the current reporting period. This amount shall agree with the amount of appropriations received as reported on the Statement of Budgetary Resources, with the exception of appropriated dedicated and earmarked receipts. Dedicated and earmarked receipts, typically in special and non-revolving trust funds, are to be accounted for as either exchange or nonexchange revenue in accordance with Statement of Federal Financial Accounting Standards (SFFAS) No.7.

2. Appropriations Transferred-In/Out (+/-) - (Line 4.B.). This is the amount of appropriations received in the current or prior year(s) that have been transferred in or out during the current reporting year.

3. Other Adjustments (Rescissions, Etc.) (+/-) - (Line 4.C.). This amount includes adjustments to either cumulative results of operations or unexpended appropriations. Some examples of adjustments include rescissions of appropriations and cancellations of expired appropriation/expenditure accounts, which would also be included in Line 6, Permanently not available, on the Statement of Budgetary Resources. In addition, appropriations used by collecting entities to provide refunds of monies deposited to Treasury and trust funds shall be reported on this line item rather than as an Appropriations Used.

4. Appropriations Used (Line 4.D.). Appropriations are considered used as a financing source when goods and services are received or benefits are provided, under authority of the appropriations. This is true whether the goods, services, and benefits are payable or paid as of the reporting date and whether the appropriations are used for items that are expensed or capitalized. Appropriations Used does not include undelivered orders or unobligated appropriations. Appropriations Used does not increase net position; it is subtracted from Unexpended Appropriations but added to Cumulative Results of Operations for a net zero effect on net position as a whole.

In order to avoid double counting, Appropriations Used does not include dedicated tax receipts, earmarked receipts, and donations because these financing sources are reported as either exchange or nonexchange revenues.

5. Nonexchange Revenue (Line 4.E.). Revenues the federal government is able to demand or receive due to its sovereign powers. See SFFAS No. 7 for a discussion of the recognition and measurement criteria for taxes and other nonexchange revenues.

6. Donations and Forfeitures of Cash and Cash Equivalents (Line 4.F.). Voluntary gifts and involuntary forfeitures of resources to the Federal Government by non-Federal entities. Donations of financial resources may be in the form of cash or securities. This amount also includes the forfeiture of seized cash and cash equivalents.

7. Transfers-In/Out without Reimbursement (+/-) - (Line 4.G.). Intragovernmental non-appropriated balance transfers in or out during the current reporting year. Non-appropriated balances include financing sources and revenue not reported as unexpended appropriations. Exchange revenue (included in calculating an entity's net cost of operations) required to be transferred to the Treasury or another Federal entity shall be recognized as a transfer-out.

8. Other Budgetary Financing Sources (+/-) - (Line 4.H.). Other financing sources that affect budgetary resources and are not otherwise classified above. The elements of this line shall be disclosed in note 20 if the total amount on this line exceeds \$100 million or if the amount represents more than 10 percent of the value of line 6, Total Financing Sources.



E. Other Financing Sources (Line 5). This section displays financing sources and nonexchange revenue that do not represent budgetary resources as reported on the Statement of Budgetary Resources and defined as such by OMB Circular No. A-11. The items within this section shall directly tie to the Statement of Financing section Other Resources.

1. Donations and Forfeitures of Property (Line 5.A.). This amount includes voluntary gifts and involuntary forfeitures of resources to the Federal Government by non-Federal entities. These resources may be in the form of land or buildings. The amount of revenue arising from donations/involuntary forfeitures of non-financial resources shall be recognized in accordance with criteria in SFFAS No. 6, "Accounting for Property, Plant, and Equipment," and should be valued at the estimated fair value at the time of the contribution. The exception, Stewardship property, plant and equipment (PP&E), consists of National Defense PP&E, heritage assets, and stewardship land. Such PP&E is expensed when purchased, but no amount is recognized if it is received as a donation. Correspondingly, no revenue is recognized for such donations.

2. Transfers-In/Out without Reimbursement (+/-) - (Line 5.B.). Intragovernmental transfers in or out of capitalized assets during the current reporting year. The amount of the transfer shall be recorded at the book value of the transferring entity. If the book value is not known, the amount recognized should be the asset's estimated fair value at the date of the transfer.

3. Imputed Financing from Costs Absorbed by Others (Line 5.C.). This amount includes financing of certain costs by one Federal entity on behalf of another Federal entity (e.g., the payment of certain employee benefit costs by the Office of Personnel Management for employees of other Federal agencies). Imputed financing shall equal the amount of imputed costs as reported on the Statement of Net Cost. Included on this line is imputed financing amounts for: (a) employees' pension (civilian and military); (b) post-retirement health insurance benefits (civilian and military); (c) employees' life insurance benefits; (d) other post-employment benefits for retired, terminated and inactive employees, which includes unemployment and workers compensation under the Federal Employee's Compensation Act; and (e) losses in litigation proceedings (see Federal Accounting Standards Advisory Board Interpretation No. 2, Accounting for Treasury Judgement Fund Transactions). Moreover, to ensure consistency agencies should not recognize imputed costs other than those listed until the Office of Management and Budget provides further guidance. Information on imputed financing is disclosed in note 20.

4. Other (+/-) - (Line 5.D.). This amount includes other financing sources that do not represent budgetary resources and are not otherwise classified above. The elements of this line shall be disclosed in note 20 if the total amount on this line exceeds \$100 million or if the amount represents more than 10 percent of the value of line 6, Total Financing Sources.

F. Total Financing Sources (Line 6). Calculation: Sum Lines 4 through 15.

G. Net Cost of Operations (+/-) - (Line 7). This amount shall agree with the net cost of operations as reported on the Statement of Net Cost. The Net Cost of Operations is subtracted from the total financing sources and beginning balance, as adjusted, to yield the ending balance of net position as it relates to the Cumulative Results of Operations.

H. Ending Balances (Line 8). Ending balances shall agree with the amounts reported as net position on the current year's balance sheet.